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No. 13764

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United States  
Court of Appeals  
For the Ninth Circuit.

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ROY EDWARD HEGG,

Appellant,

vs.

UNITED STATES OF AMERICA,

Appellee.

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Transcript of Record

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Appeal from the United States District Court for the  
Southern District of California,  
Southern Division.

FILED

MAY 15 1953

PAUL P. O'BRIEN



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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in *italic*; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in *italic* the two words between which the omission seems to occur.]

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In the United States District Court in and for the  
Southern District of California, Southern  
Division

No. 22124 SD

UNITED STATES OF AMERICA,

Plaintiffs,

vs.

ROY EDWARD HEGG,

Defendant.

INDICTMENT

[U.S.C. Title 18, Sections 371, 201 and 1006—  
Conspiracy; Bribery of Government Officer; De-  
frauding Savings and Loan Association]

The grand jury charges:

Count One

[U.S.C. Title 18, Sections 371 and 201]

I.

A. That during the calendar years 1950 and 1951, the defendant, Roy Edward Hegg, was an officer, namely, President, and a Director of the San Diego Federal Savings and Loan Association in San Diego, California.

B. That during said period, the unindicted co-conspirator Alton Bookman Jackson was an officer of the San Diego Federal Savings and Loan Association, to wit: Vice-President and Treasurer.

C. That during said period, the San Diego Federal Savings and Loan Association was a savings and loan association authorized and acting under the laws of the United States.

D. That during said period, the unindicted co-conspirator Francis Gilbert Paige was an officer, employee, and person, acting for and on behalf of the United States, namely: Assistant Loan Guaranty Officer of the Loan Guaranty Division of the Veterans Administration Regional Office, San Diego, California:

1. In his aforesaid capacity, the said Francis Gilbert Paige had numerous questions, matters, causes, and proceedings pending before him, and which might by law be brought before him, and in performing his said official duties, said [2\*] Francis Gilbert Paige had the power to make various decisions, among which were the following:

(a) To determine the order in which Reports of Loans Processed on Automatic Basis (VA Form 4-1820) and Applications for Home Loan Guaranty (VA Form 4-1802) would be processed in the Loan Guaranty Division of the Veterans Administration Regional Office, San Diego, California; that is to say, to determine whether or not said loan reports and loan applications should be processed on a "first-in-first-out basis," or whether or not loan applications and loan reports originating with particular lenders should receive preference over those originating from other lenders.

(b) To determine whether or not the credit status of particular veterans for whom applications for loans to be processed justified loan

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\*Page numbering appearing at foot of page of original Certified Transcript of Record.

guaranties, under the applicable Veterans Administration rules and regulations.

2. The said unindicted co-conspirator Francis Gilbert Paige, as Assistant Loan Guaranty Officer, had the legal duty to do certain acts, and to refrain from doing certain acts, among which were the following:

(a) It was his legal duty to insure that applications for guarantees, and reports of loans made to the Veterans Administration, be processed, as a general practice, in the order in which received in the office of the Loan Guaranty Division, and it was his legal duty to refrain from giving preference to any lender as to the order in which loan applications and reports were processed.

(b) It was his legal duty to exercise discretion in cases where the credit of veterans was of doubtful character, and to refuse to guarantee the loans of such veterans where the safety of the government's guaranty, or the welfare of the veterans, was imperiled by the loan; it was his legal duty to refrain from being influenced in his official decisions, by consideration other than [3] the welfare and protection of the veteran and the government.

## II.

That commencing on or about September 29, 1950, and continuing up to and including June, 1951, in San Diego, California, in the Southern Division of the Southern District of California, the defendant

Roy Edward Hegg, and his co-conspirators, Alton Bookman Jackson and Francis Gilbert Paige, not named as defendants herein, and other persons to the Grand Jury unknown, did, knowingly and wilfully, combine, conspire, confederate, and agree together, and with each other,

A. To defraud the United States of America, as follows:

1. To defraud the United States of America in the exercise of its governmental function of administering a program whereby eligible veterans of World War II were assisted in financing the purchase and construction of homes, through government guaranties of purchase and construction loans to said veterans, and

2. To defraud the United States of America of the honest, faithful, conscientious and disinterested services and functions of the unindicted co-conspirator Francis Gilbert Paige in the exercise of his official duties as Assistant Loan Guaranty Officer of the Loan Guaranty Division of the Veterans Administration Regional Office at San Diego, California, and

B. To commit offenses against the United States, in violation of Section 201 of Title 18 U.S.C., as follows:

1. Defendant Roy Edward Hegg, and his unindicted co-conspirator Alton Bookman Jackson would promise, offer, and give, money and things of value, and would cause the promising, offering and giving of money and things of value to Francis Gilbert Paige, an officer, employee, and person, acting for

and on behalf of the United States, namely, Assistant Loan Guaranty Officer of the Loan Guaranty Division of the Veterans Administration Regional Office, San Diego, California, and to Veterans Administration employees working under the direction of Francis Gilbert Paige, with the intent to influence the [4] decisions and actions of the said Francis Gilbert Paige, and of the said employees working under the direction of said Francis Gilbert Page, on questions, matters, causes and proceedings, which might at any time be pending, or which might by law be brought before the said Francis Gilbert Paige in his official capacity as Assistant Loan Guaranty Officer of the Loan Guaranty Division of the Veterans Administration Regional Office in San Diego, and before the said employees in their official capacities as Veterans Administration employees, and with intent to influence him to commit, and to aid in committing, and to collude, and to allow fraud, and to make the opportunity for the commission of fraud, on the United States, and to induce the said Francis Gilbert Paige, and the said Veterans Administration employees to do, and to omit from doing, various acts, in violation of his lawful duty as Assistant Loan Guaranty officer of the Loan Guaranty Division of the Veterans Administration Regional Office, San Diego and in violation of their lawful duties as Veteran Administration employees.

The said combination, conspiring and confederating being in violation of Title 18 U.S.C. Section 371.



## III.

The objects of this conspiracy were to be accomplished as follows:

A. The defendant, Roy Edward Hegg, and his unindicted co-conspirator Alton Bookman Jackson, were to give, or cause one of them to give, or cause one of their employees or agents to give, cash payments in the sum of \$400 each to said Francis Gilbert Paige every month, commencing on or about September 29, 1950. Said cash payments were to be charged to an account designated "Special Loan Expense Account" of the San Diego Federal Savings and Loan Association. The unindicted co-conspirator Alton B. Jackson was to withdraw the amount of \$400 in cash from a teller at the San Diego Federal Savings and Loan Association substituting therefor a receipt signed by the unindicted co-conspirator Alton Bookman Jackson, and initialled by the defendant Roy Edward Hegg, and thereafter, the unindicted co-conspirator Alton Bookman Jackson would place the cash in an [5] envelope, in small denominations, addressed to Francis Gilbert Paige "Personal" and deliver the envelope to a messenger of San Diego Federal Savings and Loan Association, with instructions to give said envelope to Francis Gilbert Paige.

B. The payments of money as described above were to be promised, made, offered, and given, to said Francis Gilbert Paige and to various Veterans Administration employees working under the direction of said Francis Gilbert Paige, by the defendant, Roy Edward Hegg, and his unindicted co-

conspirator Alton Bookman Jackson, with the intent to influence the decision of said Francis Gilbert Paige, and the said Veterans Administration employees, in numerous questions, matters, causes and proceedings, which would be pending before the said Francis Gilbert Paige, and before said Veterans Administration employees, or which might by law be brought before the said Francis Gilbert Paige in his official capacity as Assistant Loan Guaranty Officer of the Veterans Administration Regional Office in San Diego, California, or before the said Veterans Administration employees and to influence the said Francis Gilbert Paige and the said Veterans Administration employees to commit, and aid in committing, and to collude, and allow numerous frauds, and to make opportunity for the commission of frauds on the United States, and to induce the said Francis Gilbert Paige and the said Veterans Administration employees to do, and omit to do, acts in violation of his and their lawful duty, as follows:

1. When the number of Applications for Home Loan Guarantee (VA Form 4-1802) and Reports of Loans Processed on Automatic Basis (VA Form 4-1820) received by the Loan Guaranty Division of the San Diego Veterans Administration Regional Office exceeded the number that could be processed by the personnel then working in the Loan Guaranty Division of the Veterans Administration Regional Office of San Diego and when, therefore, there developed a "backlog" of unprocessed loans in said Division, the said Francis Gilbert Paige was

to use his authority to cause the Applications for Home Loan Guarantee and the Reports of Home Loan Processed on Automatic Basis to be processed in an order other than that in which they were received in the office, and would cause such loan reports and applications as had been delivered to the Veterans Administration by and on behalf of the San Diego Federal [6] Savings and Loan Association to be processed shortly after they were received at the office of the Loan Guaranty Division of the San Diego Veterans Administration Regional Office, whether or not other Applications for Home Loan Guarantee and Reports of Home Loan Processed on Automatic Basis which had been submitted by or on behalf of other lenders had been waiting in said office for substantially longer periods of time. This preferential treatment was to be extended to substantially all Applications for Home Loan Guarantee and Reports of Home Loan Processed on Automatic Basis submitted by or on behalf of the San Diego Federal Savings and Loan Association.

2. The said Francis Gilbert Paige, when reviewing the applications for loan guarantee of veterans whose credit history and status made the granting of the applications in their cases questionable, or not possible, under local credit standards and under sound credit principles, would, without regard to said credit reports and history, or to said standards, or to said principles of sound credit administration, generally approve the applications of such veterans who were seeking loans from San



Diego Federal Savings and Loan Association, and the said Francis Gilbert Paige would not take into consideration the true credit status of such veterans, or the interest of the United States as guarantor of the loans, or the interest of the veterans, but would be guided primarily by the wishes and desires of the defendant Roy Edward Hegg, and his unindicted co-conspirator Alton Bookman Jackson.

#### IV.

To effect the objects of this conspiracy and in furtherance thereof, the defendant Roy Edward Hegg and his unindicted co-conspirators, committed divers overt acts, all of them within the Southern Division of the Southern District of California, among which were the following:

A. On or about September 20, 1950, the defendant Roy Edward Hegg, and his unindicted co-conspirators Alton Bookman Jackson and Francis Gilbert Paige, had a conversation in the coffee room of the [7] San Diego Federal Savings and Loan Association.

B. On or about September 29, 1950, the unindicted co-conspirator Alton Bookman Jackson withdrew \$400 in cash from the San Diego Federal Savings and Loan Association, and charged it to the "Special Loan Account."

C. On or about September 29, 1950, the defendant, Roy Edward Hegg, initialled a receipt for \$400.

D. On or about September 29, 1950, the unin-

dicted co-conspirator Alton Bookman Jackson placed \$400 in an envelope.

E. On or about September 29, 1950, the undicted co-conspirator Alton Bookman Jackson caused \$400 to be delivered to Francis Gilbert Paige, by giving the sealed envelope to a messenger working for San Diego Federal Savings and Loan Association.

F. On or about September 29, 1950, the said undicted co-conspirator Francis Gilbert Paige received an envelope containing \$400.

G. On or about October 3, 1950, the defendant, Roy Edward Hegg, caused the undicted co-conspirator Alton Bookman Jackson, and employees of San Diego Federal Savings and Loan Association, to deliver \$400 in cash to Francis Gilbert Paige.

H. On or about December 4, 1950, the defendant, Roy Edward Hegg, caused the undicted co-conspirator Alton Bookman Jackson, and employees of San Diego Federal Savings and Loan Association, to deliver \$400 in cash to Francis Gilbert Paige.

I. On or about January 2, 1951, the defendant, Roy Edward Hegg, caused the undicted co-conspirator Alton Bookman Jackson, and employees of San Diego Federal Savings and Loan Association, to deliver \$400 in cash to Francis Gilbert Paige.

J. On or about February 6, 1951, the defendant,

Roy Edward Hegg, caused the unindicted co-conspirator Alton Bookman Jackson, and employees of San Diego Federal Savings and Loan Association, to deliver \$400 in cash to Francis Gilbert Paige.

K. On or about October 31, 1950, the unindicted co-conspirator Francis Gilbert Paige approved and initialled the loan application of the veteran, in [8] the Veterans' Administration loan docket file numbered LH-12436-Calif.S.D.

L. On or about December 8, 1950, the unindicted co-conspirator Francis Gilbert Paige approved and initialled the loan application of the veteran in the Veterans Administration loan docket file numbered LH-11221-Calif.S.D.

M. On or about January 26, 1951, the unindicted co-conspirator Francis Gilbert Paige approved and initialled the loan application in the Veterans Administration loan docket file numbered LH-12697-Calif.S.D.

N. On or about September 29, 1950, the unindicted co-conspirator Francis Gilbert Paige gave \$40 to Lenora Hilliges, an employee of the Loan Guarantee Division of the Veterans Administration Regional Office, San Diego.

O. On or about October 3, 1950, the unindicted co-conspirator Francis Gilbert Paige gave \$40 to Lenora Hilliges, an employee of the Loan Guarantee Division of the Veterans Administration Regional Office, San Diego.

P. On or about December 4, 1950, the unindicted co-conspirator Francis Gilbert Paige gave \$40 to Lenora Hilliges, an employee of the Loan Guarantee Division of the Veterans Administration Regional Office, San Diego.

Q. On or about January 2, 1951, the unindicted co-conspirator Francis Gilbert Paige gave \$40 to Lenora Hilliges, an employee of the Loan Guarantee Division of the Veterans Administration Regional Office, San Diego. [9]

### Count Two

[U.S.C. Title 18, Section 201]

1. That on or about September 29, 1950, in San Diego County, within the Southern Division of the Southern District of California, the defendant Roy Edward Hegg, promised, offered and gave, and caused to be promised, offered and given, money, in the sum of \$400 in cash, to an officer, employee, and person acting for and on behalf of the United States, namely: Francis Gilbert Paige, who was then and there the Assistant Loan Guaranty Officer of the Veterans Administration Regional Office in San Diego, California.

2. The acts of the defendant, Roy Edward Hegg, set forth in paragraph No. 1 of this count were done with the intent to influence the decisions and actions of the said Francis Gilbert Paige on questions, matters, causes, and proceedings, which were at that time pending, and which might be pending, and which might by law be brought before him in

his official capacity as Assistant Loan Guaranty Officer of the Veterans Administration Regional Office, San Diego, as follows:

(a) To influence the said Francis Gilbert Paige to give preferential treatment to, and to cause other employees of the Loan Guaranty Division of the Veterans Administration Regional Office in San Diego to give preference to the time and order of processing of Applications for Home Loans Guarantee (VA Form 4-1802) and Reports of Home Loans Processed on Automatic Basis (VA Form 4-1820), which had been or might be forwarded to the Veterans Administration by or on behalf of the San Diego Federal Savings and Loan Association.

(b) To influence the decisions and actions of the said Francis Gilbert Paige so as to cause him to approve for loan guarantee the applications of veterans whose loans would not have been approved except for the conduct of the defendant as set forth in Paragraph No. 1 of this Count, because of their unsatisfactory credit status.

3. The acts of the defendant, Roy Edward Hegg, set forth in paragraph No. 1 of this Count were done with the intent to influence the said Francis Gilbert Paige, as Assistant Loan Guaranty Officer of the Veterans Administration [10] Regional Office, San Diego, California, to commit, and aid in committing, and to collude in, and to allow frauds on the United States, and to make opportunity for the commission of frauds on the United States, as follows:



(a) To defraud the United States of the faithful, disinterested and conscientious services of the said Francis Gilbert Paige as Assistant Loan Guaranty Officer of the Veterans Administration Regional Office, San Diego, California, and to likewise defraud the United States of the faithful, disinterested, and conscientious services of Veterans Administration employees working under the direction and supervision of the said Francis Gilbert Paige.

(b) To defraud the United States in the exercise of its governmental function of administering a program whereby eligible veterans of World War II could be assisted in the purchase of homes by having a portion of loans which they would obtain for the purchase of such homes guaranteed by the Government of the United States.

(c) To defraud the United States of America, by causing it to become a guarantor of loans which were incurred by veterans whose financial conditions were such that they were not justified in obtaining such credit.

4. The acts of the defendant, Roy Edward Hegg, as set forth in paragraph No. 1 of this Count, were done with the intent to induce the said Francis Gilbert Paige to commit acts in violation of his lawful duty, and to omit from doing acts which it was his lawful duty to perform as Assistant Loan Guaranty Officer of the Veterans Administration Regional Office, San Diego, California, as follows:

(a) To give preference to transactions of San

Diego Federal Savings and Loan Association with the Loan Guaranty Division of the Veterans Administration Regional Office, San Diego, over the transactions of other persons, and institutions.

(b) To approve the credit standing of veterans, who were applying for a guarantee by the Veterans Administration of their loans from the San Diego Federal Savings and Loan Association, without regard to sound credit, principles, or the interests of the United States Government as guarantor, but rather with regard to the interests of the defendant, Roy Edward Hegg. [11]

### Count Three

[U.S.C., Title 18, Section 201]

1. That on or about October 3, 1950, in San Diego County, within the Southern Division of the Southern District of California, the defendant, Roy Edward Hegg, promised, offered and gave, and caused to be promised, offered and given, money, in the sum of \$400 in cash, to an officer, employee, and person acting for and on behalf of the United States, namely: Francis Gilbert Paige, who was then and there Assistant Loan Guaranty Officer of the Veterans Administration Regional Office, San Diego, California.

2. The Grand Jury herein realleges all of Paragraphs 2, 3 and 4 of Count Two of this Indictment, and incorporates them herein as if they were set forth in full. [12]

## Count Four

[U.S.C., Title 18, Section 201]

1. That on or about December 4, 1950, in San Diego County, within the Southern Division of the Southern District of California, the defendant Roy Edward Hegg, promised, offered and gave, and caused to be promised, offered and given, money, in the sum of \$400 in cash, to an officer, employee, and person acting for and on behalf of the United States, namely: Francis Gilbert Paige, who was then and there Assistant Loan Guaranty Officer of the Veterans Administration Regional Office, San Diego, California.

2. The Grand Jury herein realleges all of Paragraphs 2, 3 and 4 of Count Two of this Indictment, and incorporates them herein as if they were set forth in full. [13]

## Count Five

[U.S.C., Title 18, Section 201]

1. That on or about January 2, 1951, in San Diego County, within the Southern Division of the Southern District of California, the defendant Roy Edward Hegg, promised, offered and gave, and caused to be promised, offered and given, money, in the sum of \$400 in cash, to an officer, employee, and person acting for and on behalf of the United States, namely, Francis Gilbert Paige, who was then and there Assistant Loan Guaranty Officer of the Veterans Administration Regional Office, San Diego, California.



2. The Grand Jury herein realleges all of Paragraphs 2, 3, and 4 of Count Two of this Indictment, and incorporates them herein as if they were set forth in full. [14]

Count Six

[U.S.C., Title 18, Section 201]

1. That on or about February 6, 1951, in San Diego County, within the Southern Division of the Southern District of California, the defendant Roy Edward Hegg, promised, offered and gave, and caused to be promised, offered and given, money in the sum of \$400 in cash, to an officer, employee, and person acting for and on behalf of the United States, namely, Francis Gilbert Paige, who was then and there Assistant Loan Guaranty Officer of the Veterans Administration Regional Office, San Diego, California.

2. The Grand Jury herein realleges all of Paragraphs 2, 3 and 4 of Count Two of this Indictment, and incorporates them herein as if they were set forth in full. [15]

Count Seven

[U.S.C., Title 18, Sections 371 and 1006]

I.

A. At all times referred to in this indictment the defendant, Roy Edward Hegg, was an officer, namely, President and a Director of the San Diego Federal Savings and Loan Association.

B. That during the period from January 1, 1946, to July 3, 1951, the unindicted co-conspirator Alton

Bookman Jackson was an officer of the San Diego Federal Savings and Loan Association, namely, Vice-President and Treasurer.

C. That at all times herein alleged, the San Diego Federal Savings and Loan Association was a savings and loan association authorized and acting under the laws of the United States.

## II.

Prior to the date of the first overt act herein alleged, and continuing to the date of the return of this indictment, in San Diego County, California, in the Southern Division of the Southern District of California, the defendant, Roy Edward Hegg, and his co-conspirator Alton Bookman Jackson, not named as a defendant herein, and other persons to the Grand Jury unknown, did, knowingly and wilfully, combine, conspire, confederate, and agree together, and with each other, to commit offenses against the United States, in violation of Section 1006 of Title 18, U.S.C., in that the defendant, Roy Edward Hegg, and the unindicted co-conspirator Alton Bookman Jackson, were to participate, share in, and receive, directly and indirectly, monies, property, and benefits, through the transactions, loans, commissions, contracts, and other acts of the San Diego Federal Savings and Loan Association, with the intent to defraud said savings and loan association.

## III.

The objects of this conspiracy were to be accomplished as follows:

A. During all the period herein referred to, the defendant, Roy Edward Hegg, would own and operate, as the sole owner, an insurance business, under the fictitious name of the San Diego Insurance Agency, which insurance business would be engaged in brokering for, and selling, fire and other insurance upon realty within the State of California. [16]

B. The defendant, Roy Edward Hegg, and the unindicted co-conspirator Alton Bookman Jackson, and other persons to the Grand Jury unknown, with the intent to defraud the San Diego Federal Savings and Loan Association of the faithful, conscientious and disinterested services of the defendant, Roy Edward Hegg, as its President and Director, and of the unindicted co-conspirator, Alton Bookman Jackson, as its Vice-President and Treasurer, were to demand and require as a condition precedent to the San Diego Federal Savings and Loan Association making, or committing itself to the making of a loan to any person, firm, institution or corporation on any new construction or tract, that such individual, firm, institution or corporation be required to place all fire insurance upon all property securing said loans solely through the defendant, Roy Edward Hegg, doing business as the San Diego Insurance Agency, and said co-conspirators were to require that any renewals of any such insurance therefore placed upon any such property be placed through the defendant, Roy Edward Hegg, doing business as the San Diego Insurance Agency.

C. The said co-conspirators were to thus cause the defendant, Roy Edward Hegg, to receive the commissions on the insurance premiums to be paid for fire insurance, and other insurance, which the co-conspirators would thus cause to be placed upon property securing loans made by the San Diego Federal Savings and Loan Association.

D. The defendant, Roy Edward Hegg, and his unindicted co-conspirators were to use their office, influence and power to cause the San Diego Federal Savings and Loan Association to make loans only to such borrowers as would agree to buy insurance from the defendant, Roy Edward Hegg, doing business as the San Diego Insurance Agency and the said co-conspirators were to refuse to make loans to applicants who would not so agree; and this would be done whether or not the best interest of the San Diego Federal Savings and Loan Association would have been served by lending to some of those applicants who would not agree to so place their insurance or to refuse to make loans to some of those borrowers, to whom loans were made, as a result of their agreement to place their insurance with the defendant, Roy Edward Hegg, doing business as the San Diego Insurance Agency, even though it was the duty of the defendant, Roy Edward Hegg, as President of the [17] San Diego Federal Savings and Loan Association to assure that loans were made by the said association solely with the best interest of said association in mind and without regard to interest of the defendant, Roy Edward Hegg, or any other person or persons.

## IV.

To effect the objects of this conspiracy, and in furtherance thereof, the defendant, Roy Edward Hegg, and his unindicted co-conspirators, committed divers overt acts, all of them within the Southern Division of the Southern District of California, among which were the following:

A. That on or about May 2, 1950, in the City of San Diego, California, the defendant, Roy Edward Hegg, signed a letter addressed to the Hubner Building Company of 4108 University Avenue, San Diego, California, which letter, among other things, contained a paragraph as follows:

“This commitment is also based upon the fact that all fire insurance will be placed through the San Diego Insurance Agency, and the policies for fire insurance will be written for the full amount of the G. I. appraisal of the improvements for a period of not less than 3 years.”

B. That during the month of June, 1950, in the City of San Diego, California, the defendant, Roy Edward Hegg, held a conversation with Alton Bookman Jackson, wherein, and among other things, the said defendant Hegg directed the co-conspirator Jackson to prepare, and cause to be sent, a letter to the California Realty and Loan Company, Inc., a California corporation, then located in San Diego, California.

C. That on or about June 28, 1950, in the City of San Diego, California, at the direction of the



defendant, Roy Edward Hegg, the co-conspirator Alton Bookman Jackson did make, and cause to be sent to the California Realty and Loan Company, Inc., of San Diego, California, a written document, which written document did, among other things, contain the following paragraph:

“You will not solicit or write as agent or otherwise, fire and casualty insurance on any property securing the loans which are assigned to you by us or mortgage life insurance on the lives [18] of persons owning such property. All inquiries concerning or applications for such insurance shall be referred to R. E. Hegg, d.b.a. San Diego Insurance Agency.”

D. On or about July 26, 1950, defendant, Roy Edward Hegg, received a check in the sum of \$3,798.98, from the San Diego Federal Savings and Loan Association, check No. 116824, said check being made payable to the San Diego Insurance Agency.

E. On or about September 16, 1950, defendant, Roy Edward Hegg, received a check in the sum of \$5,332.95, from the San Diego Federal Savings and Loan Association, check No. 118167, said check being made payable to the San Diego Insurance Agency.

F. On or about September 21, 1950, defendant, Roy Edward Hegg, received a check in the sum of \$2,110.85, from the San Diego Federal Savings and Loan Association, check No. 118295, said check be-

ing made payable to the San Diego Insurance Agency.

G. On or about September 22, 1950, defendant, Roy Edward Hegg, received a check in the sum of \$2,169.30, from the San Diego Federal Savings and Loan Association, check No. 118343, said check being made payable to the San Diego Insurance Agency.

H. On or about September 22, 1950, defendant, Roy Edward Hegg, received a check in the sum of \$1,039.50, from the San Diego Federal Savings and Loan Association, check No. 118348, said check being made payable to the San Diego Insurance Agency.

I. On or about October 26, 1950, defendant, Roy Edward Hegg, received a check in the sum of \$4,926.60, from the San Diego Federal Savings and Loan Association, check No. 119065, said check being made payable to the San Diego Insurance Agency.

J. On or about April 24, 1951, defendant, Roy Edward Hegg, received a check in the sum of \$6,385.57, from the San Diego Federal Savings and Loan Association, check No. 123666, said check being made payable to the San Diego Insurance Agency. [19]

#### Count Eight

[U.S.C. Title 18, Section 1006]

That after February 1, 1950, and prior to the date of the return of this indictment, in San Diego

County, within the Southern Division of the Southern District of California, the defendant, Roy Edward Hegg, being an officer, to wit: President, of the San Diego Federal Savings and Loan Association, a savings and loan association authorized and acting under the laws of the United States with intent to defraud said association of his own honest, faithful, conscientious, and disinterested services and functions, participated, shared in, and received, directly and indirectly, money, profit, property, and benefits, through various transactions, loans, contracts, and other acts of said association.

A. The said participation, sharing in and receipt of money, profit, property, and benefits was accomplished in the following manner:

1. The Hubner Building Company, a partnership, was engaged in the construction of houses for sale to qualified veterans, under the terms of the Servicemen's Readjustment Act of 1944, as amended. The said Hubner Building Company desired to get a commitment from some lending institution that such lending institution would lend money to the said Hubner Building Co. and to the said qualified veteran purchasers, to finance the construction and purchase of approximately 1200 of such houses.

2. The said Hubner Building Company applied to the said San Diego Federal Savings and Loan Association for a commitment to make such loans. The defendant, Roy Edward Hegg, as President of said San Diego Federal Savings and Loan Asso-



ciation agreed to commit the said association to make said loans but the defendant, Roy Edward Hegg, required, as an essential condition to his committing the said association to the making of said loans, that the Hubner Building Company agree that all fire insurance placed on the said houses by either the said Hubner Building Company or the said veteran purchasers would be purchased through the defendant, Roy Edward Hegg, doing business as the San Diego Insurance [20] Agency, and the said defendant, Roy Edward Hegg, would not have so committed the said Association nor permitted any other officer, employee or agent of the said association to so commit the said association unless the said Hubner Building Company had so agreed to place, or to see to it that the said veteran purchasers placed all such fire insurance through the defendant, Roy Edward Hegg, doing business as the San Diego Insurance Agency. The defendant, Roy Edward Hegg, thereby considered his own welfare and interest in the receipt of commissions on premiums on fire insurance to be sold by him as one of the primary factors in determining whether or not to make a loan commitment to the said Hubner Building Company for and on behalf of said association, rather than considering only those factors affecting the best interest of the said association as was his duty as President of said association, in fraud of said association.

Pursuant to the said commitment, the said San Diego Federal Savings and Loan Association made

approximately 1277 of such loans on such houses. In every instance, pursuant to said agreement, the fire insurance on such houses was purchased through the defendant, Roy Edward Hegg, doing business as the San Diego Insurance Agency and the total of commissions received by the said defendant, Roy Edward Hegg, on said premiums was approximately \$19,253.59. [21]

### Count Nine

[U.S.C. Title 18, Section 1006]

That after February 1, 1950, and prior to the date of the return of this Indictment, in San Diego County, within the Southern Division of the Southern District of California, the defendant, Roy Edward Hegg, being an officer, to wit: President of the San Diego Federal Savings and Loan Association, a savings and loan association authorized and acting under the laws of the United States, with intent to defraud said association of his honest, faithful, conscientious, and disinterested services and functions, participated, shared in, and received, directly and indirectly, money, profit, property, and benefits, through various transactions, loans, contracts, and other acts of said association.

The said participation, sharing in, and receipt of money, profit, property, and benefits was accomplished in the following manner:

The defendant, Roy Edward Hegg, caused the San Diego Federal Savings and Loan Association to enter into a contract with the California Realty

and Loan Co., Inc., a California Corporation, wherein the San Diego Federal Savings and Loan Association transferred to the California Realty and Loan Co., Inc., the right to service all or substantially all of the loans sold by San Diego Federal Savings and Loan Association to the Federal National Mortgage Association and the said defendant, Roy Edward Hegg, caused the San Diego Federal Savings and Loan Association to require as a necessary condition of said contract that the California Realty and Loan Co., Inc., agree that all renewals on fire insurance on said loans would be placed with the defendant, Roy Edward Hegg, doing business as the San Diego Insurance Agency, and the defendant, Roy Edward Hegg, would not have permitted the San Diego Federal Savings and Loan Association, nor any of its officers, employees or agents to enter into said contract unless the said California Realty and Loan Co., Inc., had so agreed to place all renewals on fire insurance on said loans with the defendant, Roy Edward Hegg, doing business as the San Diego Insurance Agency. The defendant, Roy Edward Hegg, thereby considered his own welfare and interest in the receipt of commissions on premiums on fire insurance to be renewed by him as one of the primary factors in determining whether or not to enter into said contract with the California Realty [22] and Loan Association, rather than considering only factors which would effect the best interests of the said San Diego Savings and Loan Association, as was his

duty as an officer of said association, in fraud of said association.

A True Bill,

/s/ LAWRENCE L. ROGERS,  
Foreman.

/s/ WALTER S. BINNS,  
United States Attorney.

[Endorsed]: Filed January 14, 1953. [23]

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[Title of District Court and Cause.]

MINUTES OF THE COURT (ARRAIGNMENT)  
JAN. 19, 1953

Present: The Honorable Claude McColloch,  
District Judge.

Proceedings:

Defendant is arraigned.

It Is Ordered that this cause is continued to Jan. 23, 1953, 11 a.m. for plea.

EDMUND L. SMITH,  
Clerk;

By /s/ MARY O. SMITH,  
Deputy Clerk. [24]

[Title of District Court and Cause.]

MINUTES OF THE COURT—JAN. 23, 1953

Present: The Honorable Claude McColloch,  
District Judge.

Proceedings: Plea.

Defendant pleads Not Guilty to Counts 1, 2,  
3, 4, 5, and 6, and Nolo Contendere to Counts  
7, 8, and 9.

Dr. Frank E. Toomey called, sworn and  
testifies on behalf of defendant.

It Is Ordered case referred to Probation Officer  
for investigation and report and continued to Feb-  
ruary 23, 1953, 2 p.m. for sentence on Counts 7,  
8 and 9, and disposition of Counts 1, 2, 3, 4, 5 and 6.  
Court adjourned 11:30 a.m.

EDMUND L. SMITH,  
Clerk;

By /s/ MARY O. SMITH,  
Deputy Clerk. [25]

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[Title of District Court and Cause.]

MINUTES OF THE COURT—FEB. 23, 1953

Present: The Honorable Claude McColloch,  
District Judge.

Proceedings:

Hearing on report of Probation Officer and  
for sentence on Counts 7, 8 and 9.

Court Sentences defendant to 2½ years imprison-

ment on each of Counts 7, 8 and 9, to begin and run concurrently.

U. S. Attorney declines to move for dismissal of Counts 1, 2, 3, 4, 5 and 6.

It Is Adjudged that the defendant be allowed a stay of execution of said sentence for twelve days, that is March 6, 1953, 5 p.m.

EDMUND L. SMITH,  
Clerk;

By /s/ MARY O. SMITH,  
Deputy Clerk. [26]

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United States District Court for the Southern  
District of California, Southern Division

No. 22124—Criminal

UNITED STATES OF AMERICA,

vs.

ROY EDWARD HEGG.

### JUDGMENT AND COMMITMENT

On this 23rd day of February, 1953, came the attorney for the government and the defendant appeared in person and by his counsel, William Christensen, Esq.

It Is Adjudged that the defendant has been convicted upon his plea of nolo contendere of the offenses of knowingly and wilfully, combining, conspiring, confederating and agreeing together, and



with each other, to commit offenses against the United States, in that the defendant and the unindicted co-conspirator Alton Bookman Jackson were to participate, share in, and receive, directly and indirectly, monies, property and benefits, through the transactions, loans, commissions, contracts and other acts of the San Diego Federal Savings and Loan Association, with the intent to defraud said savings and loan association through various overt acts, as charged in Count Seven of the Indictment, violation of Sections 371 and 1006, Title 18 U. S. Code; did with intent to defraud the San Diego Federal Savings and Loan Association, a savings and loan association authorized and acting under the laws of the United States, of his honest, faithful, conscientious and disinterested services and functions, participated, shared in, and received, directly and indirectly, money, profit, property and benefits, through various transactions, loans, contracts and other acts of said association, as charged in Counts Eight and Nine of the Indictment, in violation of Section 1006, Title 18, U. S. Code, and the court having asked the defendant whether he has anything to say why judgment should not be pronounced, and no sufficient cause to the contrary being shown or appearing to the Court,

It Is Adjudged that the defendant is guilty as charged and convicted.

It Is Adjudged that the defendant is hereby committed to the custody of the Attorney General or his authorized representative for imprisonment for a

period of two and one-half (21½) years on each of Counts Seven, Eight and Nine, to begin and run concurrently.

It Is Adjudged that the defendant be allowed a stay of execution of said sentence for twelve days, that is March 6, 1953, 5 p.m.

It Is Ordered that the Clerk deliver a certified copy of this judgment and commitment to the United States Marshal or other qualified officer and that the copy serve as the commitment of the defendant.

/s/ CLAUDE McCOLLOCH,  
United States District Judge.

A True Copy. Certified this 23rd day of February, 1953.

EDMUND L. SMITH,  
Clerk;

By MARY O. SMITH,  
Deputy Clerk.

[Endorsed]: Filed February 23, 1953. [27]

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[Title of District Court and Cause.]

### NOTICE OF APPEAL

The name and address of appellant is: Roy Edward Hegg, 1109 LeRoy Street, San Diego, California.

The name and address of appellant's attorney



is: Wm. Christensen, 444 North Camden Drive, Beverly Hills, California.

The offenses are: 1, violation of Section 371, Title 18, U.S.C.A. and, 2, 2 counts, each charging a violation of Section 1006, Title 18, U.S.C.A.

On February 23, 1953, appellant was sentenced to serve two and one-half years in an institution to be designated by the Attorney General of the United States on each of said three counts, sentences to run concurrently, execution stayed for twelve days from and after February 23, 1953.

Appellant is presently at liberty under said stay of execution.

Appellant above named hereby appeals to the United States [28] Court of Appeals for the Ninth Circuit from the above-stated judgment.

Dated: February 26, 1953.

/s/ WM. CHRISTENSEN,  
Attorney for Appellant.

[Endorsed]: Filed February 26, 1953. [29]

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[Title of District Court and Cause.]

### STIPULATION RE RECORD ON APPEAL

It Is Stipulated and Agreed between the parties hereto, through their respective counsel of record, that the record on appeal herein shall consist of:

1. The indictment on file.
2. Defendant's plea thereto.

3. The Judgment and sentence imposed.
4. Clerk's minutes showing all proceedings had.
5. Defendant's notice of appeal.
6. This Stipulation.

Dated: March 11, 1953.

WALTER S. BINNS,  
United States Attorney,

By /s/ NORMAN W. NEUKOM,  
Assistant U. S. Attorney.

/s/ WM. CHRISTENSEN,  
Attorney for Defendant.

[Endorsed]: Filed March 11, 1953. [30]

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[Title of District Court and Cause.]

### CERTIFICATE OF CLERK

I, Edmund L. Smith, Clerk of the United States District Court for the Southern District of California, do hereby certify that the foregoing pages numbered from 1 to 30, inclusive, contain the original Indictment; Judgment and Commitment; Notice of Appeal and Stipulation as to Record on Appeal and a full, true and correct copy of Minutes of the Court for January 19 and 23, 1953, and February 23, 1953, which constitute the record on appeal to the United States Court of Appeals for the Ninth Circuit.

I further certify that my fees for preparing and

certifying the foregoing record amount to \$2.00 which sum has been paid to me by appellant.

Witness my hand and the seal of said District Court this 16th day of March, A.D. 1953.

[Seal]                      EDMUND L. SMITH,  
Clerk;

By /s/ THEODORE HOCKE,  
Chief Deputy.

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[Endorsed]: No. 13764. United States Court of Appeals for the Ninth Circuit. Roy Edward Hegg, Appellant, vs. United States of America, Appellee. Transcript of Record. Appeal from the United States District Court for the Southern District of California, Southern Division.

Filed March 17, 1953.

/s/ PAUL P. O'BRIEN,  
Clerk of the United States Court of Appeals for the  
Ninth Circuit.

At a Stated Term, to wit: The October Term 1952, of the United States Court of Appeals for the Ninth Circuit, held in the Court Room thereof, in the City and County of San Francisco, in the State of California, on Monday the thirtieth day of March in the year of our Lord one thousand nine hundred and fifty-three.

Present: William Healy, Circuit Judge, Presiding,  
Homer T. Bone, Circuit Judge,  
Wm. E. Orr, Circuit Judge.

No. 13,764

ROY EDWARD HEGG,

Appellant,

vs.

UNITED STATES OF AMERICA,

Appellee.

### ORDER SUBMITTING AND GRANTING MOTION FOR BAIL

Ordered motion of appellant for admission to bail pending appeal presented by Mr. W. Christensen, counsel for appellant, and by Mr. Morris Sankary, Assistant United States Attorney, counsel for appellee, and submitted to the court for consideration and decision.

Upon consideration thereof, Further Ordered said motion granted, and that appellant be admitted to bail pending appeal upon the filing of a bail bond

in the amount of Twenty-five hundred dollars (\$2,500.00), the bail bond, or cash deposited, to be conditioned as required by law, approved by the United States Attorney for the Southern District of California, and the District Judge of said District Court, and filed with the clerk of the said District Court.

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United States Court of Appeals  
for the Ninth Circuit

No. 13764

ROY EDWARD HEGG,

Appellant,

vs.

UNITED STATES OF AMERICA,

Appellee.

STATEMENT OF POINTS ON APPEAL AND  
DESIGNATION OF PARTS OF RECORD  
REQUIRED

Appellant intends to rely upon the following points on appeal herein:

I.

That Count Seven of the Indictment does not state facts sufficient to constitute an offense against the United States of America.

II.

That Count Eight of the Indictment does not

state facts sufficient to constitute an offense against the United States of America.

### III.

That Count Nine of the Indictment does not state facts sufficient to constitute an offense against the United States of America.

By written stipulation of the parties hereto dated March 11, 1953, and on file herein, the parties designated all that portion of the record material to the consideration of this appeal:

1. The Indictment on file.
2. Defendant's plea thereto.
3. The Judgment and sentence imposed.
4. Clerk's minutes showing all proceedings had.
5. Defendant's notice of appeal.
6. Stipulation of the parties dated March 11, 1953, designating portions of the record on appeal herein.
7. Clerk's certificate.

It is requested that parts of the record hereinabove mentioned be printed.

Dated: April 2, 1953.

/s/ WM. CHRISTENSEN,  
Attorney for Appellant.

[Endorsed]: Filed April 5, 1953.